



United States Department of the Interior



BUREAU OF LAND MANAGEMENT

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In Reply Refer To:
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EMS TRANSMISSION

Instruction Memorandum No. BC-2004-003, Change 1

Expires: 09/30/2004

To: All Washington Office and Field Officials
Attention: Program Managers, Acquisition, Finance and Budget Staff

From: Director, National Business Center

Subject: Intra-governmental Transactions (IGT)

Program Area: All Programs including Acquisition, Finance and Budget Staff

Purpose: In order for the Bureau of Land Management (BLM) to achieve an Unqualified Audit Opinion this Instruction Memorandum (IM) is being issued to implement policy and guidance for processing Intra-governmental Transactions Bureauwide.

Policy/Action: Program, Acquisition, Finance and Budget staff shall comply with Attachments 1 – 4 when engaging in business with other Federal Agencies.

Timeframe: The policy and guidance provided in this IM and associated attachments are effective immediately upon receipt.

Budget Impact: None.

Background: In October 2002, OMB issued a memorandum addressing major deficiencies with Intra-governmental Transactions (IGT). The General Accounting Office (GAO) has classified IGT as a government-wide material weakness that distorts costs; qualifies Bureau and Departmental financial statements; and consumes significant resources to identify, reconcile, and resolve differences. For the FY2002 reporting period, the Department of Interior (DOI) had unresolved IGT totaling \$18 Billion which resulted in a material weakness for BLM in the FY02 Chief Financial Officer (CFO) audit. The Department Deputy Assistant Secretary, Budget and Finance issued a memorandum to all Bureaus implementing the new Office of Management and Budget (OMB) policy to mitigate the deficiencies noted by GAO. A copy of the memorandum is provided in Attachment 4.

IGT encompasses two separate lines of business – buying and selling. The Agency requesting the goods or services is the Buyer. The Buyer must issue an IGO (Intragovernmental Order) to the Federal Agency providing the goods or services. The Agency providing the goods or services is the Seller. The Seller must establish a reimbursable account to receive revenue in exchange for the goods or services provided to the Buyer. The IGO must be completed and signed by both parties before any work begins.

OMB has developed an electronic Intra-governmental Transaction Portal (IGTP) that will be used by Federal Agencies to process IGT exceeding \$100,000. The Treasury Department's Intra-governmental Payment and Collection (IPAC) system will be used to process IGT less than \$100,000. The IGTP will facilitate: 1) Acceptance of the IGO by both Agencies (Buyer and Seller); 2) The billing process initiated by the Seller (Servicing Agency); and 3) The exchange of payments issued by the Buyer (Requesting Agency). The Department of Interior (DOI) is developing an interface to the IGTP that will be used by the Bureaus for loading initial transactions on the IGTP. The Treasury Department's IPAC system will continue to be used as the billing system until the DOI interface to the IGTP becomes available and operational.

As part of President Bush E-Gov initiatives, OMB has implemented a Federal Agency Registration system on the Federal Government's Business Partner Network (BPN) (<http://www.bpn.gov>). Federal Agencies are required to register at the BPN to engage in business with other federal agencies. The registration system contains key information that will be used by both the Buyer and Seller during the course of the business transaction. The assignment of a unique Dun & Bradstreet number is required for all Federal Agencies that register on BPN. OMB established a January 31, 2003 deadline for registration. The BLM has registered all State Offices, the National Centers and the Washington Office (WO). All BLM Field Offices will not be registered at this time. Refer to attachment 1.

To immediately address the GAO findings, OMB issued two sets of standard business rules for compliance by all Federal Agencies. These standard business rules are contained as Attachment A and B in the Deputy Assistant Secretary, Budget and Finance memorandum provided in Attachment 4. Attachment A contains a list of standard business rules associated with the issuance of IGO's retroactive to January 1, 2003. Attachment B contains a listing of standard business rules that are applicable to the recording and reconciliation of certain fiduciary transactions which became effective October 1, 2003.

Manual/Handbook Sections Affected: BLM 1510 Acquisition Manual, SubPart 1510-17.5, <http://www.blm.gov/nhp/efoia/wo/manual/1510.pdf>; Guide to Agreements, <http://www.blm.gov/natacq/tools/agreements.html>; IM-BC-2002-029, Change 1 – DINS Numbering System; the Project Accounting User Guide (<http://nbcweb.blm.gov/bc610/data/overview.pdf>) and the Delegation of Authority Manual 1203, <http://www.blm.gov/nhp/efoia/wo/manual/1203.pdf>.

Coordination: This IM was coordinated with the BLM Washington Acquisition and Budget Office, the Director-National Business Center, State Procurement Analysts, Budget and Finance Office staff.

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5 Attachments:

- 1 – Policy and Guidance – Processing Intra-governmental Orders (IGO’s), (8 pp)
- 2 – Intra-governmental Order Articles, (5 pp)
- 3 – Form 1681-3 (Excel Spreadsheet), (1 p)
- 4 – Memorandum and attachments, Deputy Assistant Secretary, Budget and Finance, (9 pp)
- 5 – Completion Report, (1 p)